

AMENDING THE WALSH-HEALEY ACT

APRIL 20 (legislative day, MARCH 30), 1942.—Ordered to be printed

Mr. THOMAS of Utah, from the Committee on Education and Labor,
submitted the following

REPORT

[To accompany H. R. 4579]

The Committee on Education and Labor, to whom was referred the bill (H. R. 4579) to amend section 1 (c) of the Walsh-Healey Act, having considered the same, report favorably thereon with an amendment, and, as amended, recommend that the bill do pass.

Amend the bill as follows:

On line 9, strike out the figures "2 and 3" and substitute the figures "(1) or (2)".

The purpose of the bill is to suspend the overtime provisions of the Walsh-Healey Act for any employer who has entered into an agreement with his employees pursuant to the provisions of sections 7 (b) (1) or 7 (b) (2) of the Fair Labor Standards Act.

The Walsh-Healey Act, together with article 103 of the regulations of the Secretary of Labor, provides that supply contractors with the Government who are subject to that statute shall compensate their employees at time and one-half for hours in excess of 8 a day or 40 a week. The Fair Labor Standards Act requires the payment of time and one-half compensation only after 40 hours a week and further provides in sections 7 (b) (1) and 7 (b) (2) that this requirement need not be met where the employer has entered into a collective bargaining agreement with employees certified as bona fide by the National Labor Relations Board, which provides that the employees shall not be employed more than 1,000 hours during any 26 consecutive weeks or, on an annual basis, for not more than 2,080 hours in any period of 52 consecutive weeks. Where such contracts have become effective overtime compensation need be paid only after 12 hours a day or 56 hours a week. In some few cases employers who have entered into annual wage agreements with their employees in accordance with section 7 (b) (2) of the Fair Labor Standards Act have been reluctant to enter into supply contracts with the Government which would make the Walsh-Healey Act applicable to their operations since the latter

statute does not provide flexibility in its overtime requirements in the case of annual wage agreements as does the Fair Labor Standards Act. In such cases the attractiveness of annual wage agreements has been lessened. The bill (H. R. 4579) would eliminate this minor conflict between the Walsh-Healey Act and the Fair Labor Standards Act and would enable those establishments having annual wage agreements to take advantage of the flexibility permitted by the Fair Labor Standards Act while they are performing Government contracts.

The amendment recommended by the committee corrects a typographical error in the bill as it passed the House of Representatives. Section 7 (b) (3) of the Fair Labor Standards Act, which is referred to in the bill, relates to seasonal industries and not to agreements with employees. The reference should be to sections 7 (b) (1) and 7 (b) (2) of the Fair Labor Standards Act, both of which relate to agreements with employees.

The Department of Labor, which administers both the Walsh-Healey Act and the Fair Labor Standards Act, favors the enactment of the bill as amended. No opposition to its enactment has been expressed to the committee.

REPORT

